

Tangipahoa Parish Sheriff

FINANCIAL REPORT

JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

Honorable Daniel Edwards
Tangipahoa Parish Sheriff
Amite, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tangipahoa Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Tangipahoa Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tangipahoa Parish Sheriff as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2012 on our consideration of Tangipahoa Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The individual financial statements of agency funds presented on pages 33-34 are presented for purposes of additional analysis and are not a required part of the financial statements. The sheriff's sworn statement presented on page 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Prattithurait & Netturill

November 5, 2012

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

This section of Tangipahoa Parish Sheriff's annual financial report presents our discussion and analysis of the Sheriff's financial performance during the fiscal year that ended on June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Sheriff's total net assets increased \$768,995 over the course of this year's operations.
- During the year, the Sheriff's expenses were \$770,000 less than the \$19.4 million generated in ad valorem taxes, charges for services, and operating grants for governmental programs.
- Expenses for the year were \$18.7 million, an increase of \$766,216.
- The general fund reported an increase in fund balance this year of approximately \$472,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the financial statements, and required supplementary information, and other supplemental information. The financial statements include two kinds of statements that present different views of the Sheriff:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Sheriff's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Sheriff's government, reporting the Sheriff's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Fiduciary fund statements provide information about the financial relationships in which the Sheriff acts solely as agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Sheriff's financial statements, including the portion of the Sheriff's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

		Government-wide Statements		Governmental Funds		Fiduciary Funds
Scope		Entire Sheriff government (except fiduciary funds)		The activities of the Sheriff that are not proprietary or fiduciary, such as public safety		Instances in which the Sheriff is the trustee or agent for someone else's resources
Required financial statements		<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 		<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 		<ul style="list-style-type: none"> • Statements of fiduciary net assets • Statements of changes in fiduciary net assets
Accounting basis and measurements focus		Accrual accounting and economic resources focus		Modified accrual accounting and current financial resources focus		Accrual accounting and economic resources focus
Type of asset/liability information		All assets and liabilities, both financial and capital, and short-term and long-term		Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included		All assets and liabilities, both short-term and long-term; the Sheriff's funds do not currently contain capital assets, although they can
Type of inflow/outflow information		All revenues and expenses during year, regardless of when cash is received or paid		Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter		All revenues and expenses during year, regardless of when cash is received or paid.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Government-wide Statements

The government-wide statements report information about the Sheriff as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Sheriff's net assets and how they have changed. Net assets—the difference between the Sheriff's assets and liabilities—is one way to measure the Sheriff's financial health, or position.

- Over time, increases or decreases in the Sheriff's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Sheriff you need to consider additional non-financial factors such as changes in the Sheriff's property tax base and growth of Tangipahoa Parish.

The government-wide financial statements of the Sheriff include:

- Governmental activities—most of the Sheriff's basic services are included here, such as police and general administration. Ad valorem taxes, state and federal grants, and fees, charges, and commissions for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Sheriff's *most significant funds*—not the Sheriff as a whole. Funds are accounting devices that the Sheriff uses to keep track of specific sources of funding and spending for particular purposes.

The Sheriff has two kinds of funds:

- Governmental funds—Most of the Sheriff's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Fiduciary funds—These funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, and litigants in suits, in the manner prescribed by law. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. We exclude these activities from the Sheriff's government-wide financial statements because the Sheriff cannot use these assets to finance its operations.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

Net assets. The Sheriff's net assets increased between fiscal years 2012 and 2011 to approximately \$9.4 million or 8.9%. (See Table A-1.)

Table A-1
Sheriff's Net Assets

	Governmental Activities	
	2012	2011
Current and other assets	\$8,295,961	\$8,213,825
Capital assets	1,937,652	1,794,052
Total assets	10,233,613	10,007,877
Current liabilities	820,234	1,363,493
Total liabilities	820,234	1,363,493
Net assets		
Invested in capital assets, net of related debt	1,760,086	1,470,999
Restricted nonexpendable	78,019	102,553
Restricted for other purposes	200,929	191,225
Unrestricted	7,374,345	6,879,607
Total net assets	\$9,413,379	\$8,644,384

Changes in net assets. The Sheriff's total revenues increased 1%. (See Table A-2.) Approximately 46% of the Sheriff's revenue comes from ad valorem tax collections from Tangipahoa Parish. Another 3% comes from state and federal programs. An additional 41% of the Sheriff's revenue comes from charges for services including prisoner housing and commissions. The remaining 10% is comprised of miscellaneous fees and other intergovernmental revenue.

The total cost of all programs and services increased \$766,216. The Sheriff's expenses cover all services performed by its office.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Governmental Activities

Revenues for the Sheriff's governmental activities increased 1% to \$19.4 million while total expenses increased 4% to \$18.7 million.

Table A-2
Changes in Sheriff's Net Assets

	Governmental Activities	
	2012	2011
Revenues		
Program revenues		
Charges for services	\$8,009,494	\$7,895,626
Federal grants	544,775	404,270
State grants	4,908	19,010
General revenues		
Taxes	8,972,413	8,687,238
Contracted services	267,012	633,993
Miscellaneous	235,582	214,855
Intergovernmental	1,380,917	1,364,105
Interest	17,575	19,375
Total revenues	19,432,676	19,238,472
Expenses		
Public safety	18,650,732	17,889,533
Interest	12,949	7,932
Total expenses	18,663,681	17,897,465
Increase in net assets	\$ 768,995	\$ 1,341,007

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

As the Sheriff completed the year, its governmental funds reported a fund balance of \$7.7 million, an increase from last year of approximately \$480,000. The primary reason for the general fund's surplus increase is due to the increase in ad valorem tax revenue, charges for services, and federal grants. The fund balance is considered adequate for the Sheriff's current needs.

General Fund Budgetary Highlights

Over the course of the year, the Sheriff made amendments to the general fund budget. These budget amendments reflect increases in both revenues and expenses from the current budget. Revenues were amended by \$170,500 as follows:

- Federal and state grants, combined, increased \$150,000.
- Fees, charges, and commissions decreased by \$69,500.
- State supplemental increased by \$90,000.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

The budget was amended to reflect an overall increase of anticipated expenditures by \$163,625, mainly in the areas of personal services and related benefits, operating services, and capital outlay. Actual expenditures of \$18.9 million were 3.5% more than the \$18.3 million reflected on the amended budget.

CAPITAL ASSETS

At the end of 2012, the Sheriff had invested \$1,937,652 in capital assets. (See Table A-3.)

Table A-3
Sheriff's Capital Assets
(Net of depreciation, where applicable)

	Governmental Activities	
	2012	2011
Land	\$ 65,343	\$ 65,343
Buildings	190,295	196,311
DP Equipment	248,443	316,295
LE Equipment	289,797	284,906
Office Equipment	119,472	157,852
Other Machinery & Equipment	6,327	-
Vehicles	1,017,975	773,345
Total	\$1,937,652	\$1,794,052

This year's major capital assets additions include:

- Sheriff vehicles costing approximately \$605,000.
- Purchase of data processing equipment of approximately \$173,000.

This year's major capital assets deletions include:

- The disposal of fifty-three vehicles totaling approximately \$505,000.

The amended budget for capital outlay for the 2011-2012 fiscal year totaled \$945,000.

LONG-TERM DEBT

At June 30, 2012, the Sheriff had the following long-term debt outstanding at year end.

	Governmental Activities	
	2012	2011
Capital lease obligations	\$177,566	\$323,050
Total	\$177,566	\$323,050

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff is dependent on ad valorem taxes and prisoner housing reimbursement for 75% of its revenues. The economy is not expected to generate significant growth. The Sheriff's 2012-2013 budget reflects ad valorem tax revenue to decrease approximately 1% to \$8.9 million and prisoner housing revenues to decrease approximately 15% to \$4.8 million. The other revenues and expenditures are expected to be consistent with the amounts from the year ended June 30, 2012. Budgetary fund balance is estimated at approximately \$7.8 million as of June 30, 2013.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Tangipahoa Parish Sheriff's Office, 15475 Club Deluxe Road, Hammond, LA 70403.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS

Cash and cash equivalents	\$ 7,120,752
Accounts receivable	571,731
Grant receivable	242,487
Due from other funds	257,667
Due from other governments	25,305
Prepaid expenses	78,019
Capital assets, net	1,937,652
Total assets	<u>10,233,613</u>

LIABILITIES

Accounts payable	\$ 433,618
Accrued salaries and wages	172,674
Accrued liabilities	23,873
Due to other funds	11,182
Due to other governments	1,321
Long term liabilities	
Due within one year	158,436
Due in more than one year	19,130
Total liabilities	<u>820,234</u>

NET ASSETS

Invested in capital assets, net of related debt	1,760,086
Restricted nonexpendable	78,019
Restricted for other purposes	200,929
Unrestricted	7,374,345
Total net assets	<u>\$ 9,413,379</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Public safety	\$ 18,650,732	\$ 8,009,494	\$ 549,683	\$ (10,091,555)
Interest	12,949	-	-	(12,949)
Total governmental activities	<u>\$ 18,663,681</u>	<u>\$ 8,009,494</u>	<u>\$ 549,683</u>	<u>\$ (10,104,504)</u>

General revenues:

Taxes	
Property taxes	\$ 8,972,413
State revenue sharing	602,235
State supplemental pay	778,682
Investment earnings	17,575
Contracted services	267,012
Miscellaneous	192,049
Donations	4,469
Seized assets	39,064
Total general revenues	<u>10,873,499</u>
Change in net assets	768,995
Net assets - beginning	8,644,384
Net assets - ending	<u>\$ 9,413,379</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

BALANCE SHEET - ALL GOVERNMENTAL FUND TYPES
JUNE 30, 2012

	General Fund	DARE Fund	Tri-Parish Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,935,562	\$ 9,566	\$ 175,624	\$ 7,120,752
Accounts receivable	571,731	-	-	571,731
Grants receivable	242,487	-	-	242,487
Due from other funds	257,667	-	-	257,667
Due from other governments	-	-	25,305	25,305
Prepaid expenses	78,019	-	-	78,019
TOTAL ASSETS	\$ 8,085,466	\$ 9,566	\$ 200,929	\$ 8,295,961
<u>LIABILITIES</u>				
Accounts payable	\$ 433,618	\$ -	\$ -	\$ 433,618
Accrued salaries and wages	172,674	-	-	172,674
Accrued liabilities	23,873	-	-	23,873
Due to other funds	-	11,182	-	11,182
Due to other governments	1,321	-	-	1,321
TOTAL LIABILITIES	631,486	11,182	-	642,668
<u>FUND BALANCE</u>				
Nonspendable	78,019	-	-	78,019
Restricted for other purposes	-	-	200,929	200,929
Unassigned	7,375,961	(1,616)	-	7,374,345
TOTAL FUND BALANCE	7,453,980	(1,616)	200,929	7,653,293
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,085,466	\$ 9,566	\$ 200,929	\$ 8,295,961

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Fund balances - total governmental funds \$ 7,653,293

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the governmental funds

Capital assets, cost	7,069,711	
Capital assets, accumulated depreciation	<u>(5,132,059)</u>	1,937,652

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds

Capital lease payable	<u>(177,566)</u>
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Net assets of governmental activities	<u><u>\$ 9,413,379</u></u>
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The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	DARE Fund	Tri-Parish Fund	Total
<u>REVENUES</u>				
Taxes - ad valorem	\$ 8,972,413	\$ -	\$ -	\$ 8,972,413
Intergovernmental:				
Federal grants	544,775	-	-	544,775
State grants	4,908	-	-	4,908
State revenue sharing	602,235	-	-	602,235
State supplemental pay	778,682	-	-	778,682
Fees, charges, & commissions:				
Fines and forfeitures	785,548	-	-	785,548
Civil and court fees	1,325,291	-	-	1,325,291
Prisoner housing and reimbursements	5,626,330	-	-	5,626,330
Commissions from tax collector	195,960	-	-	195,960
Pay phone commissions	76,365	-	-	76,365
Contracted services	267,012	-	-	267,012
Interest earned	17,289	32	254	17,575
Seized assets	8,694	-	30,370	39,064
Donations	41	4,428	-	4,469
Miscellaneous	107,854	-	-	107,854
Total Revenues	19,313,397	4,460	30,624	19,348,481
<u>EXPENDITURES</u>				
Public safety:				
Salaries	9,536,422	-	-	9,536,422
Payroll taxes	174,286	-	-	174,286
Retirement contributions	1,161,052	-	-	1,161,052
Employee benefits	1,963,904	-	-	1,963,904
Office expenditures	492,141	-	869	493,010
Insurance	461,894	-	-	461,894
Law enforcement	651,983	-	14,645	666,628
Automobile	1,346,267	-	-	1,346,267
Professional services	446,966	-	-	446,966
Telephone and utilities	354,001	-	-	354,001
Grant expenditures	4,808	-	-	4,808
Miscellaneous	58,515	-	-	58,517
Prisoner/jail expenditures	1,173,632	-	-	1,173,632
DARE expenditures	16,090	11,483	-	27,573
Capital outlay	925,371	-	-	925,369
Debt service:				
Interest	12,949	-	-	12,949
Capital lease expense	145,487	-	-	145,487
Total Expenditures	18,925,768	11,483	15,514	18,952,765
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	387,629	(7,023)	15,110	395,716
<u>OTHER FINANCING SOURCES</u>				
Sale of capital assets	84,195	-	-	84,195
Total other financing sources	84,195	-	-	84,195
Net change in fund balance	471,824	(7,023)	15,110	479,911
FUND BALANCE AT BEGINNING OF YEAR	6,982,156	5,407	185,819	7,173,382
FUND BALANCE AT END OF YEAR	\$ 7,453,980	\$ (1,616)	\$ 200,929	\$ 7,653,293

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds	\$	479,911
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	925,369	
Depreciation expense	<u>(781,769)</u>	143,600

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded payments.

Payments on capital lease	<u>145,484</u>	145,484
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Change in net assets of governmental activities	\$	<u><u>768,995</u></u>
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The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,238,327
Accounts receivable	3,069
Total Assets	<u>\$ 2,241,396</u>
LIABILITIES	
Due to other funds	\$ 246,485
Due to inmates	300,538
Due to others	1,694,373
Total Liabilities	<u>\$ 2,241,396</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

The accompanying financial statements of the Tangipahoa Parish Sheriff have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The statement of net assets and the statement of activities display information about the primary government (the Sheriff). These statements include the financial activities of the overall government, except for fiduciary activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS:

The fund financial statements provide information about the Sheriff's funds, including its fiduciary funds. Separate statements for each fund category- governmental and fiduciary- are presented. The emphasis of fund financial statements is on major governmental funds. The Sheriff reports the following major governmental funds:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, fees for court attendance, and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

D.A.R.E. Fund

The DARE fund is used to provide education and awareness to students in order to prevent use of controlled drugs and violent behavior. The program enables students to interact with police officers or sheriffs in a controlled, safe, classroom environment.

Tri-Parish Fund

The Tri-Parish fund provides funding for law enforcement drug task force in the surrounding parishes of Tangipahoa, Livingston, and St. Helena.

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category are agency funds. The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. REPORTING ENTITY

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Sheriff is considered a primary government, since it is a special purpose government, the Sheriff is elected, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

The Governmental Wide Financial Statements (GWFS) and fiduciary fund statements are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the Sheriff gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Sheriff considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized when the obligations are expected to liquidate with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS (continued)

Revenues (continued)

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are recorded as expenditures at the time of purchase.

D. BUDGET PRACTICES

The proposed budget for the year ended June 30, 2012, was made available for public inspection and comments from taxpayers at the Sheriff's office during June 2011. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 10 days prior to the public hearing, which was held at the Sheriff's office on June 14, 2011, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit accounts and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the Sheriff may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their fair value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30 years
Building Improvements	20 years
Computer Equipment	3 years
Office Furniture	10 years
Other Machinery and Equipment	5 years
Vehicles	3 years

G. COMPENSATED ABSENCES

Effective July 1, 2004, the Sheriff has the following policy relating to vacation and sick leave:

- a. All full-time employees who have not yet attained his/her fifth anniversary of uninterrupted full time employment with the Sheriff's Office by the end of the preceding fiscal year, shall earn 3.25 hours of each compensated leave for each 14-day pay period of employment.
- b. All full time employees who have attained his/her fifth year anniversary of uninterrupted full time employment with the Sheriff's Office by the end of the preceding fiscal year, shall earn 4.75 hours of each compensated leave for each 14-day pay period of employment.
- c. Employees on leave without pay for more than 50% of pay period, with the exception of approved mandatory military reserve duty, will not earn any compensated leave for that pay period.
- d. Leave time that is converted to sick time shall be limited to 360 hours. Any time in Excess of 360 shall be stricken from the Sheriff's Office leave record.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. COMPENSATED ABSENCES (continued)

An employee will be allowed to carry over 120 hour of annual leave into the next fiscal year. Any annual leave in excess of 120 hours will convert to sick time.

Compensated leave will accrue to the employee bank on a pay period basis.

The Sheriff's leave policy does not provide for the vesting or compensation of leave. Due to this, no liability for accrued leave has been recorded at June 30, 2012.

H. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. INTERFUND ACTIVITY

Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government wide financial statements.

J. RESTRICTED NET ASSETS

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use either:

Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Sheriff's office or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Sheriff's highest level of decision-making authority.

Assigned – represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Sheriff's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Sheriff's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

2. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the Parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied in October and billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Tangipahoa Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's and legislative pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. Only a minor amount of taxes were uncollectible as of June 30, 2012. For the year ended June 30, 2012, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 17.81 mills on property with assessed valuations totaling \$499,247,586.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

2. AD VALOREM TAXES (continued)

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes.

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement District (Maintenance)	7.81	7.81	n/a
Law Enforcement District (Operational)	10.00	10.00	2011

3. CASH AND CASH EQUIVALENTS

At June 30, 2012, the sheriff has unrestricted cash and cash equivalents (book balances) as follows:

Governmental funds:	
Petty cash	\$ 2,950
Interest-bearing demand deposits	3,613,674
Interest-bearing time deposits	<u>3,504,128</u>
Total governmental funds	<u>\$ 7,120,752</u>
Fiduciary funds:	
Interest-bearing demand deposits	<u>\$ 2,238,327</u>
Total fiduciary funds	<u>\$ 2,238,327</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

4. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Sheriff does not have a policy for custodial credit risk. At June 30, 2012, the Sheriff has \$10,476,018 in deposits (collected) bank balance. The deposits were secured from risk by federal deposit insurance and pledged securities. As of June 30, 2012, the government's bank balance was not exposed to custodial credit risk.

5. LINE OF CREDIT

The Sheriff's office has a \$3 million line of credit from a local bank secured by all revenues accruing to the General Fund. The interest rate on the line of credit was equal to 6.0 percent and matures in June 2012. As of June 30, 2012, the line of credit had a zero balance.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2012, are as follows:

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/12</u>
Governmental Activities:				
Capital Assets Not Depreciated:				
Land and Land Improvements	\$ 65,343	\$ -	\$ -	\$ 65,343
Other Capital Assets:				
Buildings	250,742	3,996	-	254,738
Data Processing Equipment	1,019,093	173,333	-	1,192,426
Law Enforcement Equipment	1,060,395	119,387	-	1,179,782
Office Equipment	341,417	17,655	-	359,072
Other Machinery & Equipment	-	6,380	-	6,380
Vehicles	3,912,698	604,618	505,346	4,011,970
	<u>6,649,688</u>	<u>925,369</u>	<u>505,346</u>	<u>7,069,711</u>
Less: Accumulated Depreciation				
Buildings	54,431	10,012	-	64,443
Data Processing Equipment	702,798	241,185	-	943,983
Law Enforcement Equipment	775,489	114,496	-	889,985
Office Equipment	183,565	56,035	-	239,600
Other Machinery & Equipment	-	53	-	53
Vehicles	3,139,353	359,988	505,346	2,993,995
	<u>4,855,636</u>	<u>781,769</u>	<u>505,346</u>	<u>5,132,059</u>
Total Governmental Activities				
Capital Assets, net	<u>\$ 1,794,052</u>	<u>\$ 143,600</u>	<u>\$ -</u>	<u>\$ 1,937,652</u>

For the year ended June 30, 2012, depreciation expense was \$781,769.

7. LONG-TERM DEBT

Summary of changes in long-term debt for the year ended June 30, 2012, is as follows:

	<u>Balance</u> <u>07/01/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/12</u>
<i>Governmental Activities</i>				
Capital lease obligations	\$ 323,050	\$ -	\$ 145,484	\$ 177,566
Total	<u>\$ 323,050</u>	<u>\$ -</u>	<u>\$ 145,484</u>	<u>\$ 177,566</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

8. LEASES

The Sheriff records items under capital leases as assets and obligations in the accompanying financial statements. The Sheriff had three capital leases in 2012.

The following is a summary of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of June 30, 2012.

Year ending June 30 th	
2013	158,436
2014	25,320
2015	450
Future minimum lease payments	\$ 184,206
Less: Amount representing interest	(6,640)
Present value of net minimum lease payments	<u>\$ 177,566</u>

9. PENSION PLAN

Plan Description. Substantially all employees of the Tangipahoa Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$800 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of creditable service is 3.33 percent. In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

9. PENSION PLAN (continued)

Funding Policy. Plan members are required by state statute to contribute 10.00 percent of their annual covered salary and the Tangipahoa Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 12.50 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Tangipahoa Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Sheriff's contributions to the System, for the years ending June 30, 2012, 2011, and 2010, were \$1,120,525, \$1,062,343, and \$979,094 respectively.

10. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency funds:				
Civil Fund	\$ 555,590	\$ 3,372,028	\$ 3,452,750	\$ 474,869
Criminal Bond Fund	419,708	2,447,664	2,382,090	485,282
Tax Collector Trust Fund	896,114	47,248,224	47,325,696	818,642
Work Release Inmate	525,431	2,663,708	2,729,604	459,534
Total	\$ <u>2,396,843</u>	\$ <u>55,731,624</u>	\$ <u>55,890,140</u>	\$ <u>2,238,327</u>

11. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2012, include \$475,156 of taxes paid under protest. These funds are held pending resolution of the protest and are accounted for in the Tax Collector agency fund.

12. LITIGATION AND CLAIMS

At June 30, 2012, the Sheriff was involved in several lawsuits. In the opinion of the Sheriff's legal counsel, the ultimate resolution of these claims would not create a liability to the Sheriff in excess of existing insurance coverage.

13. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

The Sheriff's office is located in the parish courthouse. Expenditures for maintenance and operation of the parish courthouse, as required by state statute, are paid by the Tangipahoa Parish Council and are not included in the accompanying financial statements.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

14. DUE TO/FROM OTHER FUNDS

During the year, the general fund records receivables for its portion of fines, taxes, bonds or fees collected by these funds and due to others for any advances to these funds. Individual balances due to/from other funds at June 30, 2012 are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Governmental:		
General Fund	\$ -	\$ 257,667
DARE	<u>11,182</u>	<u>-</u>
Subtotal- Governmental funds	11,182	257,667
Fiduciary Funds:		
Work Release Inmate	130,836	-
Criminal	56,601	-
Tax Collector	43,770	-
Civil	<u>15,278</u>	<u>-</u>
Subtotal- Fiduciary funds	<u>246,485</u>	<u>-</u>
 TOTAL	 <u>\$ 257,667</u>	 <u>\$ 257,667</u>

15. RECEIVABLES

The general fund receivables at June 30, 2012 are as follows:

Class of Receivable

Fees, charges, and commissions	\$ 207,086
Prisoner housing and reimbursements	333,353
Miscellaneous	<u>31,292</u>
	<u>\$ 571,731</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

16. EX-OFFICIO TAX COLLECTOR

The amount of cash on hand at the end of the year was \$666,988.

The amount of taxes collected for the current year by taxing authority is as follows:

<u>Taxing Authority</u>	<u>Taxes Collected</u>
Downtown Development, City of Hammond	\$ 269,095
Gravity Drainage District #1	4,016,403
Gravity Drainage District # 4	191,034
Gravity Drainage District #5	64,837
Fire Protection District #1	525,221
Florida Parish Juvenile Justice	1,363,561
Independence Recreation District	235,255
LA Agriculture & Forestry Commission	18,676
Louisiana Tax Commission	6,044
Mosquito Abatement	1,973,862
Ponchatoula Recreation District	1,505,937
Tangipahoa Parish Assessor	2,315,548
Tangipahoa Parish Council	10,865,795
Tangipahoa Parish Library	2,880,818
Tangipahoa Parish School Board	6,167,133
Tangipahoa Parish Sheriff	8,830,792
Total	<u>\$ 41,230,011</u>

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

16. EX-OFFICIO TAX COLLECTOR (continued)

The amount of taxes assessed and uncollected by the specified taxing authority is presented below.

<u>Taxing Authority</u>	<u>Uncollected Taxes</u>
Downtown Development, City of Hammond	\$ 480
Gravity Drainage District #1	8,518
Gravity Drainage District #4	204
Gravity Drainage District #5	24
Fire Protection District #1	606
Florida Parish Juvenile Justice	2,524
Independence Recreation District	547
Mosquito Abatement	4,139
Ponchatoula Recreation District	3,225
Tangipahoa Parish Assessor	4,286
Tangipahoa Parish Council	17,284
Tangipahoa Parish Library	5,332
Tangipahoa Parish School Board	11,192
Tangipahoa Parish Sheriff	16,344
Total	<u>\$ 74,705</u>

The above amounts represent taxes assessed and uncollected by the specified taxing authority. Failure to collect these taxes is due to bankruptcies or the fact that the property is considered movable, and therefore, it cannot be sold at a property tax sale.

The amount of collection on behalf of other taxing authorities is as follows:

<u>Taxing Authority</u>	<u>Tangipahoa Parish Council</u>	<u>Tangipahoa Parish Tourist Commission</u>	<u>Commission to Tangipahoa Parish Sheriff</u>	<u>Final Distribution</u>
Occupational License	\$ 703,338	\$ -	\$ 124,118	\$ 827,456
Occupancy Tax (Hotel/Motel)	-	658,436	34,655	693,091
Totals	<u>\$ 703,338</u>	<u>\$ 658,436</u>	<u>\$ 158,773</u>	<u>\$ 1,520,547</u>

Tangipahoa Parish Sheriff's Office does not collect sales tax, tax incremental finance district, public utility, insurance premiums, gaming admissions, or any other taxes other than ad valorem tax, occupancy tax, and occupational licenses for taxing authorities.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

17. SUBSEQUENT EVENTS

The Sheriff's office has evaluated subsequent events through the date that the financial statements were available to be issued, November 5, 2012, and determined the following event occurred that required disclosure.

REQUIRED
SUPPLEMENTAL INFORMATION

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual
<u>REVENUES</u>			
Ad valorem taxes	\$ 8,858,000	\$ 8,858,000	\$ 8,972,413
Intergovernmental revenues:			
Federal grants	150,000	350,000	544,775
State grants:			
State revenue sharing (net)	600,000	600,000	602,235
State supplemental pay	690,000	780,000	778,682
Other state and local grants	150,000	100,000	4,908
Fees, charges, and commissions for services:			
Fines and forfeitures	705,000	768,000	785,548
Civil and court fees	1,250,000	1,325,000	1,325,291
Prisoner housing and reimbursements	4,525,000	4,800,000	5,626,330
Commissions from tax collector	135,000	125,000	195,960
Miscellaneous commissions	75,000	57,000	76,365
Contracted Services	1,060,000	700,000	267,012
Use of money and property :			
Interest	32,000	12,500	17,289
Seized assets	60,000	10,000	8,694
Miscellaneous	275,000	250,000	107,895
Total Revenues	<u>18,565,000</u>	<u>18,735,500</u>	<u>19,313,397</u>
<u>EXPENDITURES</u>			
Public safety:			
Personal services and related benefits	12,995,375	12,330,000	12,835,664
Operating services	4,571,000	4,846,000	5,006,297
Capital outlay	400,000	945,000	925,371
Debt service payments	4,000	13,000	12,949
Capital lease expense	145,000	145,000	145,487
Total Expenditures	<u>18,115,375</u>	<u>18,279,000</u>	<u>18,925,768</u>
EXCESS OF REVENUES OVER EXPENDITURES	449,625	456,500	387,629
<u>OTHER FINANCING SOURCES</u>			
Proceeds from sale of capital assets	<u>-</u>	<u>80,000</u>	<u>84,195</u>
Total other financing sources	-	80,000	84,195
NET CHANGE IN FUND BALANCE	449,625	536,500	471,824
FUND BALANCE AT BEGINNING OF YEAR	<u>6,525,796</u>	<u>6,982,160</u>	<u>6,982,156</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,975,421</u>	<u>\$ 7,518,660</u>	<u>\$ 7,453,980</u>

OTHER SUPPLEMENTARY INFORMATION

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

GENERAL DESCRIPTIONS
AGENCY FUNDS
JUNE 30, 2012

CIVIL BOND FUND

The Civil Fund accounts for funds held in civil suits, sheriff's sales, and garnishments and payments of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

CRIMINAL BOND FUND

The Criminal Bond Fund accounts for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and others in accordance with applicable laws.

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies. Hotel and motel transactions also run through the tax collector fund.

WORK RELEASE INMATE FUND

The Work Release Inmate Fund accounts for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates for payroll checks and withholdings of inmate expenses.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

AGENCY FUNDS
SCHEDULE OF CHANGES IN BALANCES DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Civil Bond</u>	<u>Criminal Bond</u>	<u>Tax Collector</u>	<u>Work Release Inmate</u>	<u>Total</u>
<u>BALANCES AT BEGINNING</u>					
<u>OF YEAR</u>	<u>\$ 555,591</u>	<u>\$ 419,708</u>	<u>\$ 896,114</u>	<u>\$ 525,430</u>	<u>\$2,396,843</u>
<u>ADDITIONS</u>					
Deposits:					
Sheriff's sales and garnishments	3,372,028	-	-	-	\$3,372,028
Fines and costs	-	2,447,664	-	-	2,447,664
Receipts from inmates	-	-	-	2,663,708	2,663,708
Taxes, fees, etc. paid to tax collector	-	-	47,248,224	-	47,248,224
Total additions	<u>3,372,028</u>	<u>2,447,664</u>	<u>47,248,224</u>	<u>2,663,708</u>	<u>55,731,624</u>
<u>REDUCTIONS</u>					
Taxes, fees, etc. distributed					
to taxing bodies and others	-	-	47,325,696	-	47,325,696
Distribution to inmates	-	-	-	2,729,604	2,729,604
Deposits settled	<u>3,452,750</u>	<u>2,382,090</u>	<u>-</u>	<u>-</u>	<u>5,834,840</u>
Total reductions	<u>3,452,750</u>	<u>2,382,090</u>	<u>47,325,696</u>	<u>2,729,604</u>	<u>55,890,140</u>
<u>BALANCES AT END OF YEAR</u>	<u>\$ 474,869</u>	<u>\$ 485,282</u>	<u>\$ 818,642</u>	<u>\$ 459,534</u>	<u>\$2,238,327</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA, PARISH OF TANGIPAHOA

AFIDAVIT

Daniel H. Edwards, Sheriff of Tangipahoa Parish

BEFORE ME, the undersigned authority, personally came and appeared, Daniel H. Edwards, the sheriff of Tangipahoa Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$666,987.57 is the amount of cash on hand and in the tax collector account on June 30, 2012.

He further deposed and said:

All itemized statements of the amounts of taxes collected for tax year 2012, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.



Signature

Sheriff of Tangipahoa Parish

SWORN to and subscribed before me, Notary, this 17th day of October, 2012, in my office in Hammond, Louisiana.

Terry Y. Pisciotto (Signature)

Terry Y. Pisciotto (Print), # 010439

Terry Y. Pisciotto (Commission)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Daniel Edwards
Amite, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Tangipahoa Parish Sheriff's Office as of and for the year ended June 30, 2012, which collectively comprise the Tangipahoa Parish Sheriff's Office basic financial statements and have issued our report thereon dated November 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Tangipahoa Parish Sheriff's Office is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Tangipahoa Parish Sheriff's Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tangipahoa Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tangipahoa Parish Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Tangipahoa Parish Sheriff's Office financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Tangipahoa Parish Sheriff, management, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Perthwright & Nettville

November 5, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Honorable Daniel Edwards
Amite, Louisiana

Compliance

We have audited Tangipahoa Parish Sheriff's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tangipahoa Parish Sheriff's major federal programs for the year ended June 30, 2012. The Tangipahoa Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Tangipahoa Parish Sheriff's management. Our responsibility is to express an opinion on the Tangipahoa Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tangipahoa Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Tangipahoa Parish Sheriff's compliance with those requirements.

In our opinion the Tangipahoa Parish Sheriff complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Tangipahoa Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Tangipahoa Parish Sheriff's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tangipahoa Parish Sheriff's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as public document.

Pentthura & Mettur

November 5, 2012

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>			
Direct Program			
Comprehensive Approaches to Sex Offender Management Training	16.203	2009-WP-BX-0007	\$ 51,533
Direct Program			
ARRA-FY 2009 Recovery Act Justice Assistance	16.804	2009-SB-B9-3064	257,516
Direct Program			
Justice Assistance Program	16.738	2008-DJ-BX-0324	26,971
Information System Enhancement and Patrol Vehicles	16.738	2009-DJ-BX-0963	2,280
FY 2010 JAG Program	16.738	2010-DJ-BX-1367	1,700
FY 2011 JAG Program	16.738	2011-DJ-BX-2118	68,616
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Multi-Jurisdictional Task Force	16.738	B11-5-022	48,130
Law Enforcement Policy Development	16.588	M10-5-010	3,884
Law Enforcement Policy Development	16.588	M11-5-010	8,750
Victim Assistance Program	16.575	C10-5017	41,860
Victim Assistance Program	16.575	C11-5017	5,147
Total United States Department of Justice			<u>516,387</u>
<u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u>			
Passed Through Louisiana Highway Safety Commission			
Police Traffic Services	20.600	PT-2011-30-89	6,718
Police Traffic Services	20.600	PT-2012-30-56	21,670
Total United States Department of Transportation			<u>28,388</u>
Total Federal Assistance Expended			<u>\$ 544,775</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Tangipahoa Parish Sheriff's Office and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2012

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes x no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
16.804	FY 2009 Recovery Act Justice Assistance Grant Program
16.738	Tangipahoa Parish Sheriff's Office Justice Assistance Program
16.738	Information System Enhancement and Patrol Vehicles
16.738	FY 2010 JAG Program
16.738	Tangipahoa Parish Sheriff's Office FY 2011 JAG Program
16.738	Multi-Jurisdictional Task Force

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as a low-risk auditee? _____ yes x no

B. FINDINGS – FINANCIAL STATEMENT AUDIT

1. None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

TANGIPAHOA PARISH SHERIFF
AMITE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2012

- A. FINDINGS – FINANCIAL STATEMENT AUDIT
 - 1. None
- B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
 - 1. None